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SUBJECT: CODEL HOYER'S MEETINGS WITH GVN LEADERSHIP

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1. (SBU) Summary. On January 3, a thirteen-member Congressional delegation, led by Majority Leader Representative Steny Hoyer and Minority Whip Representative Roy Blunt, discussed bilateral priorities during meetings with President Nguyen Minh Triet, the Chairman of the National Assembly Nguyen Phu Trong and Deputy Prime Minister Hoang Trung Hai. During their meetings, members of the delegation discussed legal, political and economic reform in Vietnam, UN issues, respect for human rights and key commercial concerns. The delegation also exchanged views on trade and commercial issues with AMCHAM Hanoi. End Summary.

Meeting with President Triet

2. (SBU) As part of its visit to Guam, Vietnam, Australia and New Zealand, the congressional delegation led by Majority Leader Representative Steny Hoyer and Minority Whip Representative Roy Blunt engaged in substantive exchanges with Vietnamese leaders during its one-day stay in Hanoi on January 3. President Nguyen Minh Triet opened his meeting with the CODEL by noting that the delegation's visit was both a good opportunity to discuss issues of mutual interest and a chance for the delegation to witness the changes occurring in Vietnam. He continued by highlighting developments in U.S.-Vietnam bilateral relations, including President Bush's November 2006 visit to Hanoi; his own meetings in Washington during his June 2007 trip to the United States; and other high-level USG visitors to Hanoi such as Secretary of Commerce Carlos Gutierrez in December 2007. President Triet noted that differences remain, largely due to the different economic and political conditions in the two countries, but suggested that any problems can be discussed and solutions identified.

3. (SBU) Congressman Hoyer mentioned Vietnam's new role as a member of the UN Security Council and asked for President Triet's views on key issues such as the Iranian and North Korean proliferation threats, the political repression in Burma and the status of Israel. President Triet replied that the GVN is aware of the role and responsibilities of a UNSC member and stated that Vietnam will have clear positions on such issues when it is asked for its views. Concerning a question from Congressman Hoyer about Vietnam-China relations and the GVN view of China's future role in the world and the region, President Triet explained that as China's neighbor with a longstanding relationship, Vietnam "congratulates China on its success." Vietnam's relations with China will not affect its relationship with any third country. To the extent Vietnam and

China have differences, the two countries have agreed to discuss them in order to reach a solution.

¶4. (SBU) Congressman Blunt reiterated the view that Vietnam's UN Security Council role will mandate a new level of responsibility and mentioned that he looks forward to opportunities when Vietnam's views on issues before the Security Council will allow our countries to "be on the same side." He also expressed appreciation for GVN cooperation in the recovery of the remains of U.S. personnel missing in action from the Vietnam War, noting that those efforts opened the door to subsequent bilateral cooperation in other areas. Congressman Blunt inquired whether Vietnam can maintain its "amazing" economic growth and about the future of GVN state-owned enterprises. President Triet said that Vietnam is trying to fulfill its WTO commitments. In areas such as legal reform and human resource development, Vietnam must improve. Past reform efforts have transformed the Vietnamese economy to become more flexible and market-based, and equity markets are being developed in order to facilitate the "equitization" (partial privatization) of state-owned enterprises. The President noted that Vietnam is in a transitional period, but affirmed that the direction of future development is clear and that the GVN has built confidence in the minds of foreign investors. He concluded that "Vietnam is on the right track."

¶5. (SBU) Noting the impressive results of GVN economic reforms, Congressman Hoyer asked whether the GVN had moved to enact political reforms to allow freedom of speech, freedom of assembly and freedom to criticize the government. With the growth of participatory democracy around the world, Congressman Hoyer inquired where the GVN stands on these issues. President Triet affirmed that the "voice" of the Vietnamese people has been growing for many years. Authorities at local and central levels typically poll public opinion about important issues and use contradictory views to reach better decisions. The Communist Party of Vietnam also provides a mechanism for annual grassroots level criticism of GVN officials. He said that sessions of the National Assembly include diverse, frank opinions about the performance of the GVN and the cabinet

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ministers are more often criticized than praised when they attend. President Triet closed by arguing that, although the United States and Vietnam have different economic and political conditions, he hoped that they can cooperate in order to understand each other better, and that he looked forward to other such exchanges in the future.

Discussions with National Assembly Leadership

¶6. (SBU) Earlier on January 3, the delegation met with Vietnam National Assembly (NA) leaders, including NA Chairman Nguyen Phu Trong, to discuss the two legislative branches' roles in strengthening the bilateral relationship. The legislators focused on trade, environmental, and security concerns. Both sides expressed their satisfaction with the increased "productivity" of the U.S.-Vietnam bilateral relationship, citing, in particular, the two countries' growing trade and economic ties.

¶7. (SBU) Congressman Blunt asked the NA members present to update the U.S. delegation on changes to the civil and criminal codes that might affect the protection of intellectual property rights, copyrights, and patents in Vietnam. Chairman of the Legal Affairs Committee Nguyen Van Thuan replied that, while such changes are underway as part of a comprehensive legal and judicial reform program aimed at realizing Vietnam's commitments as a WTO member, the real problem in Vietnam is enforcement. Nonetheless, Thuan promised that he would continue to inform Ambassador Michalak of progress in implementing these legislative reforms. Thuan further stressed that Vietnam considers intellectual property rights a "civic right" and welcomed U.S. advice on how to improve existing laws to ensure better implementation.

¶8. (SBU) Congresswoman Wasserman-Schultz raised her concern that at the United Nations, Vietnam has a record of not voting with the United States on matters pertaining to Israel. Noticeably surprised, Chairman Trong responded by stressing Vietnam's active

and growing involvement in numerous international organizations, but conceded that Vietnam should pay more attention to issues related to Israel. Other NA members emphasized Vietnam's good relationship with both Israel and Palestine. In response to Congressman Hoyer's question regarding Vietnam's future role in peace-keeping and humanitarian efforts, Chairman Trong pledged strong support for such efforts as long as they were legal under Vietnamese law and within the country's capacity. Congressman Hoyer concluded the meeting by highlighting each citizen's right to choose his/her government and every government's responsibility to protect basic human rights.

Economic Issues Discussed with DPM Hai

¶9. (SBU) In the afternoon, Codel Hoyer met with Deputy Prime Minister for Economic Affairs Hoang Trung Hai. In response to a comment by Congressman Blunt, the DPM noted that Vietnam is continuing to pursue broad administrative reforms, including simplification of the licensing process. He also stated that Vietnam realizes that enforcement of its IPR laws is necessary to encourage the development of science and technology, and that the GVN has much work to do in this regard. DPM Hai showed a broad base of knowledge about U.S. foreign direct investment, commenting extensively on proposed projects by Gannon, Alcoa and others. With regards to the proposed Gannon project, he explained that the GVN did not want to move forward until it could resolve the issue of pricing kilowatts at a level that would both compensate producers and be affordable to the public. He added that the GVN hopes the ConocoPhillips gas project in the South China Sea, currently stalled due to objection by China, will move forward very quickly because Vietnam needs additional gas supplies.

¶10. (SBU) In response to a question by Congresswoman Emerson, DPM Hai said that the GVN plans to increase its renewable energy supply by at least 5% by 2010 and 8% by 2020. He explained that the GVN has effectively communicated to the public that the price of energy will be increased to market rates, and that a law regarding effective energy use was being drafted. Finally, he noted that Vietnam is in the process of overhauling its education system and is ready for additional cooperation on education and training.

American Chamber of Commerce Luncheon

¶11. (SBU) Congressmen Hoyer and Blunt shared their views of the

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growing relationship between the United States and Vietnam, including the impressive expansion of bilateral trade and concerns such as human rights, environmental protection, intellectual property rights and product safety, with a crowd of more than 100 U.S. business community members at an American Chamber of Commerce luncheon. The large turnout, despite the holiday season, demonstrated the business representatives' interest in exchanging views with the legislators and gaining a better perspective of how the U.S. relationship with Vietnam is viewed on Capitol Hill.

¶12. (SBU) In his remarks, Congressman Hoyer encouraged U.S. firms to serve as a model of the benefits of open market principles for their Vietnamese business partners and government interlocutors. He continued by imploring that U.S. firms "not only can, but ought to" spread the ideals of individual freedom and basic human rights in Vietnam. Congressman Blunt then shared his positive impressions of Vietnam's competitive commercial atmosphere, but noted that more must be done to strengthen the tenets of rule of law, competition and a fair judicial system. For example, he cited the incongruence of Vietnam's requirement for an economic needs test for foreign retailers to establish multiple outlets with the principles of an open, competitive market. Amidst questions on domestic U.S. politics, and the level of partisanship in Congress, one audience member sought the delegation's views on how to balance economic reform with political reform here. Congressman Hoyer responded that he views individual liberties as not only a political issue, but also as a means to boost the country's economic development - a sentiment he shared earlier in the day with President Triet and NA Chairman Trong. He also opined that Vietnam is following the "China

model" of economic liberalization coupled with continued tight political control, and expressed his hope that both countries will more positively pursue the issue of human rights in the future.

Comment: Off to Ho Chi Minh City

¶13. (SBU) The CODEL departed Hanoi on the evening of Jan 3 en route to Ho Chi Minh City. Overall, the delegation expressed its satisfaction with the substance of the meetings and noted the high level of engagement and responsiveness of the GVN officials. Based on the level of the delegation's meetings, the GVN clearly assigned significant importance to the delegation's visit and appeared pleased with the attention paid by the ranking members of Congress. Mission Vietnam looks forward to welcoming future visits by members of Congress.

¶14. (U) This cable was cleared by the delegation.

MICHALAK